

## Message Text

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ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 FRB-03 COME-00 AID-20 EB-11 CIEP-03 TRSE-00

STR-08 OMB-01 CEA-02 FEA-02 SAJ-01 IO-14 IGA-02 DRC-01

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R 260800Z AUG 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 4069

INFO AMEMBASSY BANGKOK

AMEMBASSY BONN

AMEMBASSY THE HAGUE

CINCPAC

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY MANILA

AMOBASSY OTTAWA 125

AMEMBASSY PARIS

AMEMBASSY SAIGON

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

AMEMBASSY CANBERRA

AMCONSUL MEDAN

AMCONSUL SURABAYA

USIA WASHDC

AMCONSUL HONG KONG

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CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS:HFPINT EGEN PFOR ID

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SUBJECT: QUARTERLY ASSESSMENT: INDONESIAN ATTITUDES

TOWARD U.S.

1. SUMMARY: IN A PERIOD OF CHANGING US-INDONESIAN RELATIONS, PRESIDENT SUHARTO AND HIS IMMEDIATE ASSOCIATES, WHOSE ATTITUDES ARE OF PRIMARY IMPORTANCE, REGARD THREE U.S. ROLES AS IMPORTANT: A) AS STABILIZING FORCE IN AREA, B) AS FORCE FOR PEACE ON WORLD SCENE, AND C) AS SOURCE OF CAPITAL AND CONCESSIONAL AID FOR INDONESIA. THEY HAVE DOUBTS ABOUT FUTURE OF FIRST ROLE IN VIEW OF RECENT U.S. WITHDRAWALS IN ASIA; ARE REINGORCED IN THEIR BELIEF IN SECOND BY US DETENTE WITH CHAINA AND USSR AND ROLE IN MIDDLE EAST, AND ARE CONCERNED OVER THIRD BECAUSE OF RECENT EVENTS.

2. DESPITE GREATLY INCREASED OIL REVENUES, PRESIDENT SUHARTO DOES NOT AGREE THAT INDONESIA'S REQUIREMENTS FOR OFFICIAL FOREIGN CREDITS HAVE DECLINED, AND NOTWITHSTANDING ADVICE TO CONTRARY FROM IMPORTANT COLLEAGUES SUCH AS IBNU SUTOWO, SUHARTO EQUATES DECLINING US ASSISTANCE WITH LESSENED US INTEREST.

3. IT NONETHELESS REMAINS TRUE THAT GOI POLICIES AND ACTIONS ARE GUIDED FOR MOST PART BY THEIR OWN INTERESTS RATHER THAN BECAUSE OF PAST OR EXPECTED FAVORS FROM US REAL RISK WE RUN IS NOT SO MUCH IN CHANGING RELATIONSHIP--WHICH IS INEVITABLE--BUT MANNER IN WHICH CHANGE IS EFFECTED. ABRUPT ACTS, SUCH AS SWIFT TERMINATION OF AID PROGRAMS, OR PUBLIC CRITICISM OF GOI COULD RESULT IN INDONESIA'S MANIFESTING A DECREASED READINESS TO CONSIDER OUR INTERESTS IN SUCH AREAS AS THE INDIAN OCEAN, INDOCHINA AND LAW OF THE SEA MATTERS; WE HAVE FAVORABLE OPTIONS, HOWEVER, WHICH CAN HELP EASE TRANSITION. END SUMMARY.

4. WE ARE GOING THROUGH A PERIOD OF CHANGE IN OUR RELATIONS WITH INDONESIA. AID LEVELS ARE DECLINING. POLITICAL CHANGE AND DOMESTIC PREOCCUPATIONS IN UNITED STATES APPEAR TO INDONESIANS TO MEAN LESSENED DEMONSTRATED US INTEREST IN INDONESIA AND IN SOUTHEAST ASIA IN GENERAL. THIS REVIEW SEEKS TO ASSESS KEY INDONESIAN ATTITUDES TOWARD US AND HOW THEY ARE LIKELY REACT

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TO APPARENT SHIFTS IN US INTEREST. ATTITUDES OF PRIMARY SIGNIFICANCE ARE ALMOST EXCLUSIVELY THOSE OF PRESIDENT SUHARTO AND HIS IMMEDIATE ASSOCIATES, CHIEFLY MILITARY.

5. AMONG THIS GROUP, RELATIONS WITH UNITED STATES ARE IMPORTANT, BUT CLEARLY SECONDARY TO DOMESTIC AND REGIONAL CONCERNS. ATTITUDES TOWARD US ARE BECLOUDED

BY DIFFICULTY MANY HAVE, INCLUDING PRESIDENT SUHARTO, IN UNDERSTANDING US SYSTEMS, INCLUDING ROLE OF CONGRESS AND RECENT RESIGNATION OF PRESIDENT NIXON, WHO WAS HELD IN PARTICULARLY HIGH REGARD HERE, AND WITH WHOM PRESIDENT SUHARTO BELIEVED HE ENJOYED A PERSONAL RELATIONSHIP WHICH WAS OF PARTICULAR BENEFIT TO INDONESIA. NEVERTHELESS, WE NEED TO AVOID EXAGGERATING DEGREE OF OUR IMPORTANCE TO INDONESIANS OR POSSIBLE REACTION OF INDONESIANS TO CHANGING US POLICIES AND PROGRAMS.

6. PRESIDENT SUHARTO AND ASSOCIATES REGARD THREE US ROLES AS IMPORTANT: (A) AS STABILIZING FORCE IN AREA; (B) AS FORCE FOR PEACE ON WORLD SCENE; AND (C) AS SOURCE OF CAPITAL AND CONCESSIONAL AID FOR INDONESIA. RECENT WITHDRAWALS IN ASIA HAVE CAST DOUBTS ON US PERSISTENCE IN FIRST ROLE. DETENTE WITH CHINA, AND USSR AND ROLE IN MIDDLE EAST HAVE STRENGTHENED BELIEF IN SECOND. RECENT EVENTS HAVE CAUSED CONCERN OVER THIRD.

7. NOTWITHSTANDING DECLARED THIRD WORLD ORIENTATION OF INDONESIA, PRESENT LEADERSHIP GENERALLY WELCOMES US ROLE IN AREA AND INDIAN OCEAN. THEY DO NOT WISH TO SEE THIS ROLE WEAKENED. DESPITE OCCASIONAL VACILLATIONS IN FOREIGN POLICY IN SUCH MATTERS AS SUPPORT FOR PRG, ANTI-COMMUNIST TENDENCY REMAINS STRONG. WITH IT GOES FEAR OF LONG RANGE CONSEQUENCES OF COMMUNIST VICTORY IN INDONCHINA, AND MORE WIDELY, FEARS OF ENHANCED ROLE FOR PEKING. THEY SEE CONTINUING US ROLE AS SUPPORTING THIS OBJECTIVE. PRESIDENT CLEARLY PAYS ATTENTION TO WHAT US THINKS AND WISHES AVOID OFFENDING US.

8. PRESIDENT SUHARTO IS KEY TO ATTITUDES TOWARD US  
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AID. IMPRESSED BY INDONESIA'S NEEDS AND BY WORD FROM ADVISORS ON ANTICIPATED IMPORT COSTS, OVERRUNS ON PROJECTS, AND PRIORITY ECONOMIC AND MILITARY NEEDS NOT COVERED BY FOREIGN AID, HE DOES NOT AGREE THAT INDONESIA'S REQUIREMENTS FOR OFFICIAL FOREIGN CREDITS HAVE DECLINED. HE IS PREPARED ACCEPT HARDER TERMS, BUT NOT LESSER VOLUME. APPARENT WILLINGNESS OF SOME OTHER DONOR COUNTRIES TO CONTINUE OR EVEN INCREASE CONCESSIONAL AID, IN CONTRAST TO SOME CONGRESSIONAL ATTITUDES, AND NECESSARY CAVEATS WE ATTACHE TO OUR AID PROJECTIONS HIGHLIGHT OUR DIFFICULTIES MORE THAN OTHERS. HE DOES NOT ACCEPT OUR POSTURE AS JUSTIFIED REACTION TO INCREASED INDONESIAN WEALTH AND NEEDS ELSEWHERE IN WORLD, EVEN WHEN SUCH IMPORTANT COLLEAGUES AS PERTAMINA (STATE OIL) CHIEF GENERAL IBNU TELL HIM. HE SEES IT AS DECLINING US INTEREST.

9. PROBLEM IS PARTICULARLY ACUTE IN MILITARY AID REALM. HE LOOKS TO US AS PRIMARY SUPPLIER AND STILL ASSUMES "COMMITMENT" OF \$25 MILLION ANNUAL GRANT MAP. HE EXPRESSED DEEP DISAPPOINTMENT IN 1974 MAP CUT RESULTING FROM CAMBODIAN NEEDS. HE BELIEVES INDONESIA GETS AN UNDULY MODEST SHARE OF OUR TOTAL MAP RESOURCES.

10. THOSE AROUND PRESIDENT EITHER SHARE HIS VIEWS OR ARE REELUCTANT TO CHALLENGE THEM. GENERAL IBNU DOES SO ON QUESTION NEED FOR ECONOMIC AID, BUT PRESIDENT DOESN'T LISTEN. DEFENSE MINISTER GENERAL PANGGABEAN AND OTHER MILITARY LEADERS SHARE CONCERN OVER MILITARY AID AND UNDOUBTEDLY REINFORCE HIS DISPLEASURE AT US CUTS.

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CINCPAC FOR POLAD

11. THERE ARE ALSO THOSE AROUND PRESIDENT WHO REFLECT  
DOUBTS CONCERNING US OBJECTIVES IN INDONESIA. SOME  
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OLDER MILITARY MEN HAVE NOT FORGOTTEN US HELP TO  
SUMATRAN REVOLT. OTHERS, LIKE MURTOPO, ARE NOT HAPPY  
WITH AMERICAN AFFINITY FOR INTELLECTUALS SUCH AS  
SOEDJATMOKO WHOM THEY SEE AS SECURITY THREATS.  
MUSLIM INFLUENCE, INCREASINGLY DISTURBED BY CHRISTIAN  
EVANGELISM WHICH THEY ASSOCIATE WITH THE UNITED STATES,  
IS PART OF THIS PICTURE.

12. ATTITUDES IN ACADEMIC, INTELLIGENTIAL AND PRESS  
CIRCLES, NOW UNDER SEVERE RESTRICTIONS, ARE DIVIDED  
TOWARD US ALTHOUGH PRAGMATIC, PRO-US MODERATE VIEWS  
STILL PROBABLY DOMINATE IN THESE GROUPS. WE ARE NOT  
IDENTIFIED IN THESE CIRCLES WITH REPRESSIVE ATTITUDES  
OF SUHARTO REGIME. HOWEVER, SUPPORT FOR RADICAL,  
XENOPHOBIC THIRD WORLD VIEW AMONG GROUPS NOW EXCLUDED  
FROM POWER, SUCH AS EDITORIAL LINE NOW EXPRESSED IN  
NATIONALIST PAPER MERDEKA, WILL DOUBTLESS INCREASE IF  
CURRENT GOVERNMENT FAILS TO AMELIORATE GROWING SOCIAL AND  
ECONOMIC PRESSURES. MUSLIM ATTITUDES AMBIGUOUS BUT NOT  
MARKEDLY POSITIVE TOWARD US.

13. THERE IS STRONG AFFINITY FOR US AMONG US-EDUCATED  
TECHNOCRAT MINISTERS AND SOME FEELING ON THEIR PART  
THAT CONTINUATION US PROGRAMS IMPORTANT TO THEIR OWN  
FUTURE. THIS MAY BE DECLINING AS THEIR INDIVIDUAL  
POSITIONS WITH PRESIDENT APPEAR TO BE MORE SOLID AND  
THEY BECOME MORE INDEPENDENT OF US FUNDING.

14. AGAINST BACKGROUND THESE ATTITUDES OUR ASSESSMENT  
IS THAT PRESENT REGIME NOT LIKELY TO REACT STRONGLY  
AGAINST ANY SIGNIFICANT US INTEREST IF CHANGES IN  
AID RELATIONSHIP OR OUR EAST ASIAN POSTURE ARE PROPERLY  
PHASED AND EXPLAINED, AND WE CAN CONTINUE TO BE  
ATTENTIVE TO MILITARY NEEDS.

15. IN FIRST PLACE CERTAIN OF OUR PRINCIPAL INTERESTS  
HERE PARALLEL THOSE OF INDONESIA. US INVESTMENT  
INCLUDING SUBSTANTIAL INVESTMENT IN ENERGY, IS HERE  
BECAUSE INDONESIA WANTS IT-NOT AS GRATITUDE FOR US  
ASSISTANCE OR ATTENTION. INVESTMENT CLIMATE LIKELY TO BE  
MORE AFFECTED BY INDONESIAN PREOCCUPATION OVER SUCH ISSUES  
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AS LOCAL PARTICIPATION IN ENTERPRISES THAN BY ANY US ACTIONS.

16. SIMILARLY, INDONESIAN PARTICIPATION IN ICCS AND  
SUPPORT FOR CAMBODIA STEM FOR MOST PART FROM INDONESIAN  
INTERESTS. IF INDONESIA DECIDES THESE POLICIES CLEARLY NOT  
IN THEIR INTERESTS, IT IS DOUBTFUL ANY SPECIAL FAVORS FROM  
US WOULD CAUSE THEM TO CONTINUE. IN CASE OF ICCS, WHERE  
THERE EVIDENCE SUHARTO SENT CONTINGENT AS GESTURE TO  
PRESIDENT NIXON AND WHERE OPINION WITHIN GOI DIVIDED AS TO  
ADVISABILITY OF REMAINING ON, IT POSSIBLE PSYCHOLOGICAL  
FEELING OF "LETDOWN" BY US COULD TIP BLANCE IN FAVOR  
OF WITHDRAWAL. WE DO NOT YET SEE THIS.

17. US PRESENCE IN AREA, INCLUDING US ACTIVITIES IN  
INDIAN OCEAN ARE SIMILARLY IN INDONESIA'S INTERESTS.  
THEY MAY STRIKE OCCASIONAL POSTURES FOR ZONE OF PEACE  
AND AGAINST DIEGO GARCIA BUT PRIMARILY WILL REMAIN SILENT.

18. ALL THIS DOES NOT MEAN WE CAN TAKE INDONESIAN  
ATTITUDES FOR GRANTED. REAL RISK IS IN MANNER OF CHANGE  
MORE THAN IN CHANGE ITSELF. IF WE FELT OBLIGED PUBLICLY  
TO CRITICIZE INDONESIA, TO TERMINATE AID PROGRAMS  
ABRUPTLY, OR TOOK ANY OTHER ACTION WHICH WOULD  
PUBLICLY OFFEND INTEGRITY AND NATIONALISM OF  
INDONESIA, REACTION COULD AFFECT AT LEAST TONE OF OUR  
RELATIONSHIP. SIMILARLY, STATEMENTS OR ACTIONS CLEARLY  
INDICATING THAT SOUTHEAST ASIA WAS OF LESS IMPORTANCE  
TO US WOULD ALSO AFFECT RELATIONSHIP. THEY WOULD CONFIRM  
PRESIDENT SUHARTO'S CONCERN THAT THERE IS DIMINISHED  
US INTEREST IN INDONESIA AND AREA AND WOULD  
PROBABLY RESULT IN COOLER CLIMATE FOR ALL US ACTIVITIES.  
SUCH COOLNESS MIGHT BE MANIFESTED IN DECREASED READINESS  
TO CONSIDER OUR INTERESTS IN INDIAN OCEAN, IN INDOCHINA  
AND IN LAW OF SEA AND IN LESS EASY ACCESS FOR OUR  
OFFICIALS AND CITIZENS. EVEN IN SUCH EVENT, AND BARRING  
CHANGE IN SUHARTO REGIME, WE DO NOT SEE THAT ACTIONS WOULD  
LEAD TO PUBLIC MANIFESTATIONS AGAINST AMERICANS OR ANY  
EFFORT EXPEL AMERICAN INTERESTS.

19. IN A PERIOD OF CHANGE LIKE THIS NOT ONLY NEGATIVE  
BUT POSITIVE ACTIONS BECOME PARTICULARLY IMPORTANT.

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DEMONSTRATION OF INTEREST IN ASEAN, SELECTIVE HIGH LEVEL VISITS, MANIFESTATION OF INTEREST IN SPECIAL CASES AND CONTINUING EFFORT ASSIST IN MILITARY SUPPLY AND TRAINING CAN BE HELPFUL IN MAINTAINING A COOPERATIVE RELATIONSHIP IN FACE OF DECLINING AID LEVELS.

20. IN SUM, PRESENT REGIME DOES CONTAIN ELEMENTS OF POSSIBLE UNFRIENDLINESS TOWARD US AND PRESENT ATMOSPHERE SHOULD NOT BE TAKEN FOR GRANTED. IN DOING WHAT WE MUST DO IN AID FIELDS AND IN SOUTHEAST ASIA IN GENERAL, WE MUST BE ATTENTIVE TO MANNER IN WHICH WE BRING ABOUT CHANGES, WHILE REALIZING THAT SUCH CHANGES WILL NOT NECESSARILY CREATE UNMANAGEABLE RISKS OF UNDERMINING OUR ESSENTIAL INTERESTS IN INDONESIA.

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**Draft Date:** 26 AUG 1974  
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**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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